



Federal Flyer

April 26, 1999

A Publication of the Legislative Affairs Office

Vol. V, No. 5

Long-Term AIP Bill Delayed ***USDOT Says AIR 21 Will Require Program Cuts***

Although President Clinton signed S 643 into law in late March to give Congress two more months to debate a long-term aviation bill, it appears that legislators might not even begin that debate until after the current authorization expires on May 31. This likely outcome will once again place the nation's aviation funding programs in jeopardy.

Senate Won't Act on Its Bill Anytime Soon. With foreign affairs dominating Senate discussions, **Commerce Committee Chairman John McCain** (R – Arizona) said last week that there are no plans to move the committee's bill to reauthorize federal aviation programs anytime soon. McCain had earlier pushed to have the Federal Aviation Administration (FAA) bill on the Senate floor early this year. He now says that he is not certain that the two-year reauthorization legislation (S 82) will come up before the end of May, when the current short-term extension of FAA programs will expire. "I don't know when it will be scheduled," McCain said last week.

House Bill Caught Up in Budget Concerns. You will recall that in our last issue we reported on a deal between **House Speaker Dennis Hastert** (R – Illinois) and **House Transportation and Infrastructure Committee Chairman Bud Shuster**

(R – Pennsylvania) to allow Shuster's multi-year aviation reauthorization bill (H.R. 1000 or AIR 21) to come to the floor. The agreement will give the House the chance to determine the best use of some \$50 billion in aviation taxes that would have been used for other purposes in the budget resolution. When the House takes up AIR 21, all sides will have a fair shot to make their case whether to spend those taxes on aviation needs or reduce those taxes.

Although the deal does not guarantee that all aviation excise tax revenues will be used for reauthorizing FAA programs, Shuster is very confident that ultimately the House will support the big funding increases written into H.R. 1000. However, the Clinton Administration has criticized the bill, calling it a "budget buster."

In a letter to **House Appropriations Transportation Subcommittee Chairman Frank Wolf** (R – Virginia), **Secretary of Transportation Rodney Slater** said that if AIR 21 becomes law within the current budgetary framework, the result might be a 21 percent across-the-board cut in FY 2000 funding for other programs at USDOT. Furthermore, Slater claims, the AIR 21 funding provisions would "likely leave no room to fund the rest of the department by FY 2003." For his part, Wolf, who

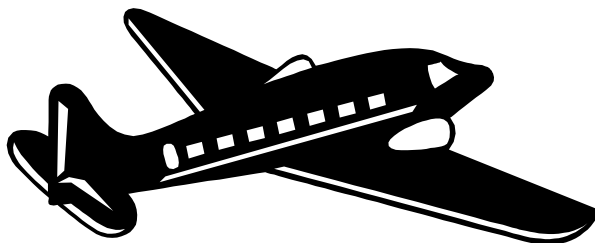
requested the USDOT analysis, said “if aviation spending increases, an equal amount must be decreased from functions like Amtrak, Coast Guard, and railroad safety.”

Shuster refuted these comments in an April 15 statement. He said that the legislation would not require deep cuts in other transportation programs because the bill would create a budgetary “firewall” for programs financed by the Aviation Trust Fund. The bill would use uncommitted excise tax revenues to help pay for the increased FAA program funding.

“Passage of AIR 21 would not curtail or eliminate drug interdiction activities by the Coast Guard, National Highway Traffic Safety Administration activities, rail safety inspections, federal support for Amtrak” and other cuts suggested by USDOT, Shuster said. “Any budgetary increase would be outside the [transportation discretionary spending] caps and would be fully paid for by the aviation taxes deposited into the Aviation Trust Fund.”

Slater acknowledged that his department’s analysis of the bill’s impact is based on Wolf’s assumptions that the current caps on discretionary spending remain in effect, there are no changes to the TEA 21 budgetary “firewalls” for highways and transit, and no new user fees for aviation are enacted. If the funding to cover AIR 21 (\$1.1 billion in extra outlays in FY 2000) does not come solely from USDOT’s budget, then it may require cuts in other programs within the overall budget. In his letter, Slater reiterated the Administration’s opposition to “any provisions that would drain anticipated budget surpluses prior to fulfilling our commitment to save Social Security first.”

Shuster hopes to bring AIR 21 to the House floor before the Memorial Day recess. Even with that ambitious schedule, however, Congress will not pass a multi-year reauthorization of FAA programs before the current authorization expires on May 31, requiring yet another short-term extension to keep funding flowing to the states.



The *Federal Flyer* is a publication of the TxDOT Legislative Affairs Office. It is intended to provide up-to-date information on major legislative activities in the 106th Congress for the management of the Texas Department of Transportation, state leaders, and others interested in Texas transportation issues. This report will also feature key activities in the national transportation community. Sources include news services and staff reports.

Coby Chase, Director of Legislative Affairs, serves as publisher and can be reached at (512) 463-6086. The department’s federal legislative analysts are Tonia Norman Ramirez (463-9957) and David Soileau (463-6081). Please contact any of the staff for information on federal transportation and legislative issues.

This publication will be filed with the State Publications Clearinghouse in the State Library in accordance with the Texas State Depository Law.